



Q4 & Preliminary FY 2023 **Results presentation**

28 February 2024



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Platform growth and improved efficiency driving performance in Q4 2023

Solid strategy delivery

- **Q4 revenue of ~€172m and Adjusted EBITDA of ~€26m**, representing around 15% and 17% YoY growth respectively.
- **FY 2023 Net revenue of €515m and FY 2023 Adjusted EBITDA of just over €71m**, representing around 14% and 37% YoY growth respectively.
- **Strongest ever quarter for Platform** with Net Revenue of ~€158m and Adjusted EBITDA ~€22m
- **Delivered expected annualized cost savings of at least € 20m**, excluding any effects from foreign exchange and Hawk acquisition, as compared to the January 2023 baseline.
- **Increased the average digital ads sold per month** by over 20% to approximately 12.9bn in Q4 2023, from approximately 10.7bn in Q4 2022
- **Increased the average gross revenue per million processed ad requests** to € 39.5 in Q4 2023 from € 32.8 in Q4 2022 representing over 20% YoY growth
- **Completed the acquisition of Hawk**, bringing new advertisers and contributing to the YoY growth in Net revenue whilst strengthening Azerion's DOOH, audio, CTV and hyperlocal proposition.
- **Completed refinancing** of previously outstanding bonds and listing of new bonds, with the reduction of Net Interest Bearing Debt* by over 18% to € 145.1m as of 31 December 2023 as compared to € 177.6m as at 31 December 2022.

Strong financial performance



Delivered on advertising clients' campaigns, improved monetisation capabilities and expanded our engaged audience base through publisher partnerships

Selected Advertiser Campaigns Q4 2023

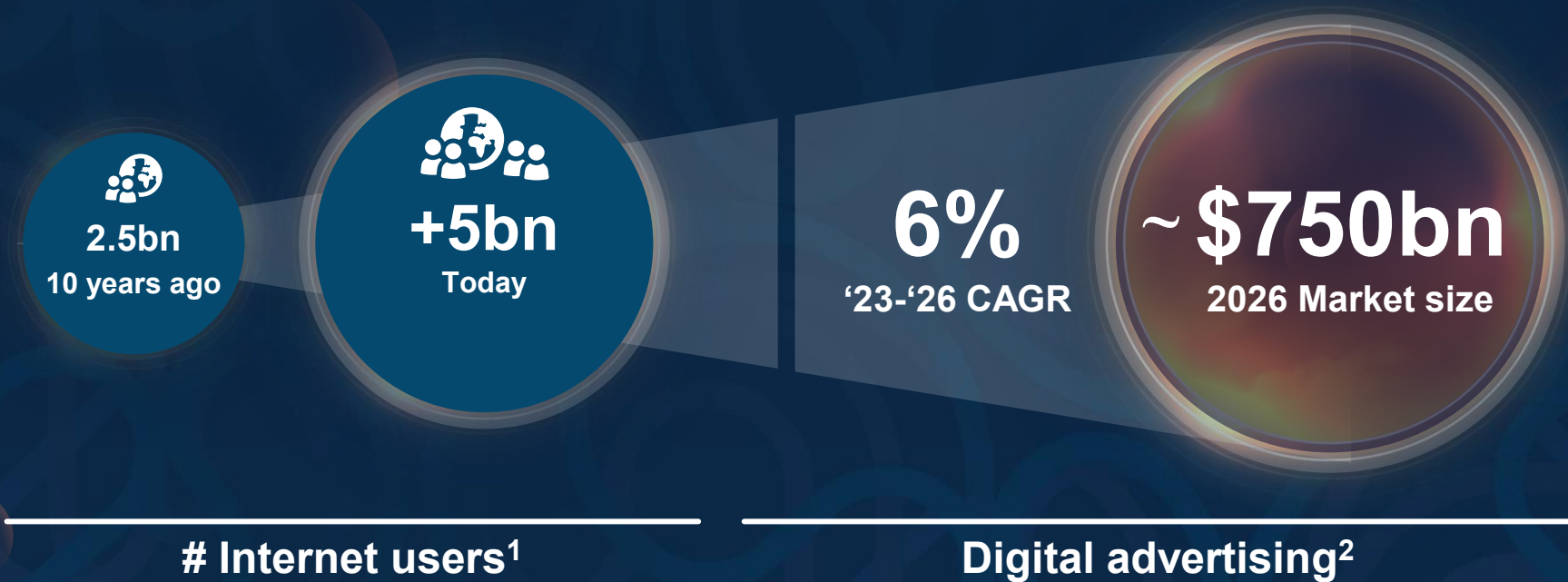


Selected Publisher Partnerships Q4 2023

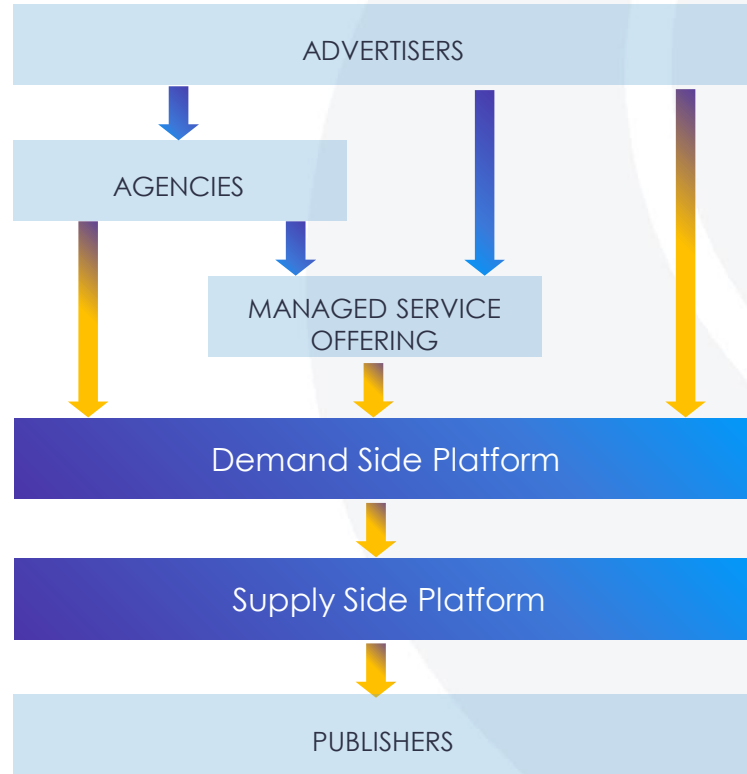


- **Strongest ever quarter by Direct sales** teams, delivering client campaigns across Azerion ad formats and audiences.
- **Introduction** to Nordic markets of **Azerion's Audio Ad Server**, bringing programmatic audio advertising capabilities to advertisers and agencies in the region.
- **Fully integrated** Hybrid Theory's **contextual segments** into Azerion's SSP, Improve Digital, improving publisher inventory synergies for advertisers through enhanced audience targeting in an increasingly cookieless world.
- **Launched** Oneskin's **rich media** advertisement format on **mobile devices** from previously acquired businesses Sublime and Inskin Media.
- **Signed 39 new publishers** to expand Azerion's supply footprint across Europe and the Americas adding new CTV, Audio and inApp audiences.
- **Connected five new Demand Side Platforms** creating new monetisation opportunities for our publisher partners.
- Strategic partnership with Huawei to deliver a diverse array of casual games to their Browser.
- **Azerion Fanzone** entered an exclusive partnership with **EB Sports Group**, providing access to the US and Mexican markets.
- Took a **minority stake** in the youth-focused media house **Just Another Media Company**.
- **Joined forces with Sovereign Nature Initiative** to transform the Hotel Hideaway metaverse into an educational sanctuary, fostering awareness about wildlife and their habitats.

Digital advertising is growing fast, as audiences move to digital



Our Industry



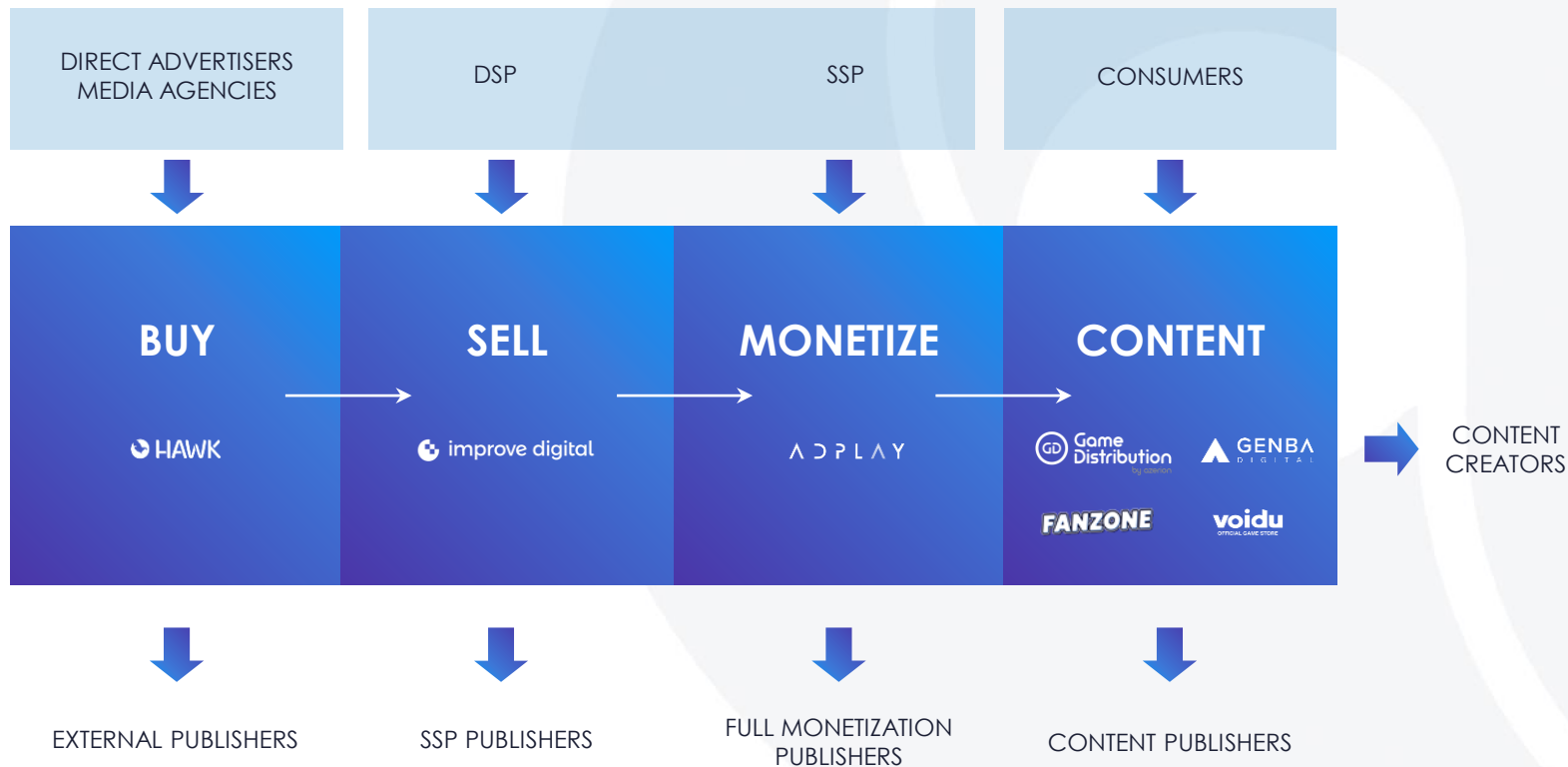
What we do

“We help brands attract attention from digital audiences around the world.”

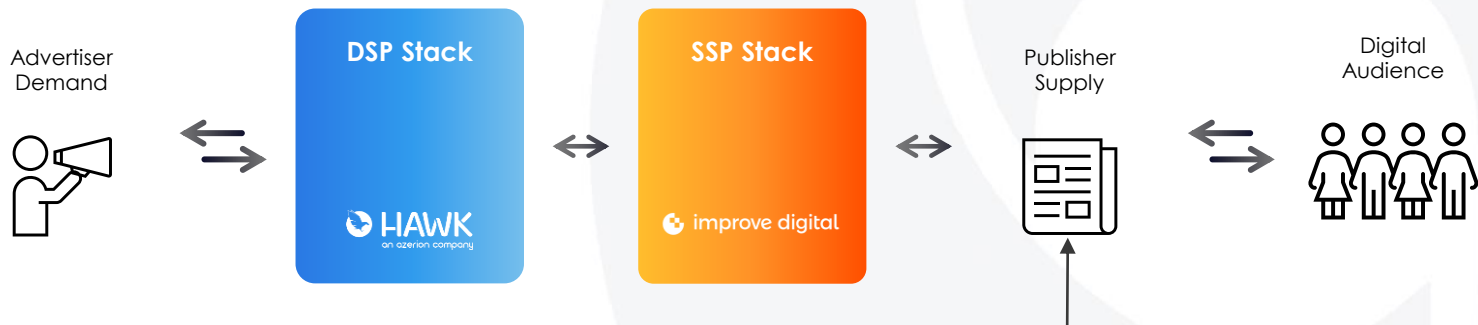
Consolidating fragmented audiences



Our companies integrate to create our platform



How our Platform and Premium Games fit together



Our Owned and Operated proprietary and partnered content

Digital publisher partners (General content)	Casual Games Distribution	Fan Engagement	E-commerce	Metaverse	Social Casino
Monetised predominantly through digital advertisement		Platform fees	Sale of AAA Keys	Monetised predominantly through in-app purchases	

Our Direction

Creating Europe's
largest digital
advertising
platform



Become a
cornerstone
partner in the
digital advertising
industry

Becoming the cornerstone partner in digital advertising

Grow our Market



Be where it matters, at the scale that is needed

Supply Advertisers love



Sell audiences and environments that advertisers need

Consolidation to one Platform



Bring together products and companies into a single easy-to-use efficient offering

Enterprise deals



Strengthen market position by securing long term partnerships

Competitively priced



Create a distinct competitive advantage through economies of scale

Our Direction

Creating Europe's
largest digital
advertising
platform



Become a
cornerstone
partner in the
digital advertising
industry

Q4 2023: Strong Platform growth and improved efficiency driving improved Group performance

~€172m

Net revenue
Q4 2023

+15%

vs Q4 2022

- **Net revenue up** approximately 15% in Q4 2023 YoY.
- Mainly **driven by Platform growth**, particularly in advertising revenue from Direct Sales, e-commerce and the integration of previous acquisitions including Hawk and notwithstanding the loss of revenue from the divested portfolio of social card games.

~€26m

Adj. EBITDA Q4
2023

+17%

vs Q4 2022

- **Adjusted EBITDA grew** by around 17% in Q4 2023 YoY.
- **Adjusted EBITDA margin** improved to 15.1% Q4 2023 as compared to 14.9% in Q4 2022.
- Driven by increased Platform revenue and contribution from Direct sales and platform efficiencies from continued integration of previous acquisitions and ongoing cost optimisations.

FY 2023: Strong Platform growth and improved efficiency driving improved performance

€515m

Net revenue
FY 2023

~14%

vs FY 2022

~€71m

Adj. EBITDA FY
2023

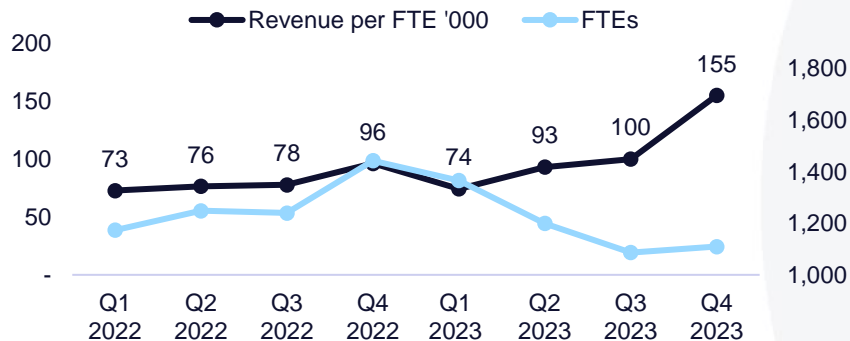
37%

vs FY 2022

- **Net revenue up** approximately 14% FY 2023 YoY.
- Mainly **driven by Platform growth**, particularly in advertising revenue from Direct sales, and the integration of previous acquisitions including Hawk and notwithstanding the loss of revenue from the divested portfolio of social card games.
- **Adjusted EBITDA grew** approximately 37% FY 2023 YoY.
- **Improvement in Adjusted EBITDA margin** to 13.9% FY 2023, compared to 11.5% for full year 2022
- Reflecting **improved margins** driven by increased Platform revenue and contribution from Direct sales and platform efficiencies from continued integration of previous acquisitions and ongoing cost optimisations.

Continued cost optimisation and operating efficiency, leading to improved performance

Revenue per FTE evolution



Consolidation and integration

- Continued progress in the integration and consolidation of previous acquisitions, as well as ongoing cost optimisation.
- Examples include:
 - Integrated Hybrid Theory's contextual segments into Azerion's SSP
 - Launched Oneskin's rich media advertisement format on mobile
 - Integrated DACH region operations to become Azerion AG
- Continued significant improvement in productivity with ~61% increase in Net revenue per FTE in Q4 2023 YoY

Selected Highlights

Legal Entities



-25

Hosting Contracts



-9

Office Leases



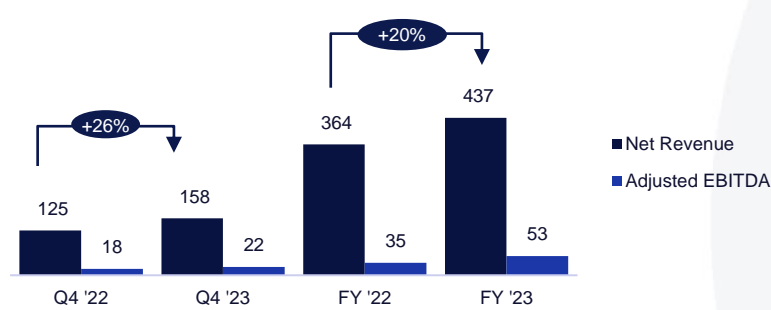
-22

Operational simplification and cost optimisation

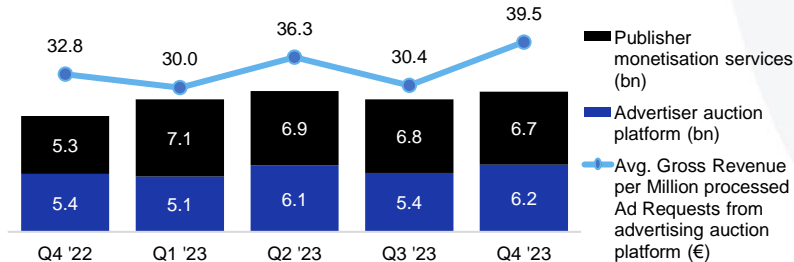
- Continued focus on operational simplification and cost optimisation leading to, for example:
 - Reduction of 25 legal entities across the Group since 1 Jan 2023
 - 9 hosting contracts consolidated to AWS in last twelve months
 - Reduction of 22 office leases since 1 Jan 2023

Platform – Scale and integration synergies delivering strong profitable revenue growth

Financial performance



Operational performance

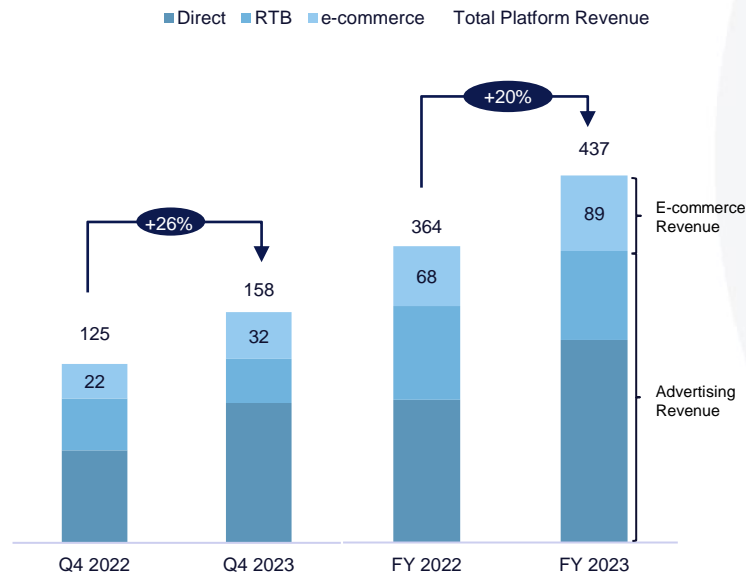


- **Net revenue of € 157.8 million in Q4 2023**, compared to € 124.7 million in Q4 2022, an increase of 26.5%.
- **Net revenue of € 437.4 million for FY 2023**, compared to € 363.5 million, for FY 2022, an increase of 20.3%.
- **Adjusted EBITDA increased** to approximately € 22.3 million, compared to € 17.7 million Q4 2022, an increase of 26.0%.
- **FY 2023 Adjusted EBITDA** of approximately € 52.7 million, compared to € 34.8 million Q4 2022, an increase of 51.4%.
- **Performance driven mainly by increased contribution from Direct sales**, sales opportunities created through the integration of past acquisitions and global sales teams, combined with additional revenue from Hawk and increased sales of game keys from our e-commerce platform.
- **Increased the average digital ads sold per month by over 20%** to approximately 12.9 billion in Q4 2023, up from approximately 10.7 billion in Q4 2022, driven by the integration of past acquisitions and increased cross-selling of ad formats over managed campaign budgets.
- **Higher Average Gross Revenue per Million Processed Ad Requests** from the advertising auction platform, of approximately € 39.5 in Q4 2023, up from € 32.8 in Q4 2022, reflecting the integration of higher CPM ad formats such as DOOH, audio and rich media on Azerion's platform.

Platform – Strong Platform growth driven by Direct sales and e-commerce

Financial performance

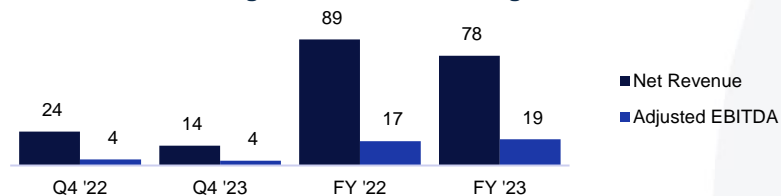
Net Revenue €m



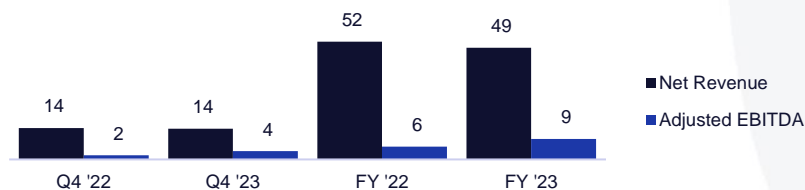
- In Q4 2023, Azerion's **Direct sales teams contributed approximately 75%** of Platform advertising Net revenue, as **compared to approximately 65%** in Q4 2022, with the balance provided by Automated auction sales.
- In Q4 2023, our **e-commerce** business generated Net revenue of € 31.7 million as compared to € 22.1 million in Q4 2022, **an increase of approximately 43.4% YoY**
- For FY 2023, Azerion's **Direct sales teams contributed approximately 70%** of Platform advertising Net revenue, as **compared to approximately 60%** for FY 2022, with the balance provided by Automated auction sales.
- For FY 2023, our **e-commerce** business generated Net Revenue of € 88.8 million as compared to € 68.3million for FY 2022, **an increase of approximately 30.0% YoY**

Premium Games – Improved Adjusted EBITDA from Social Casino and Metaverse portfolios

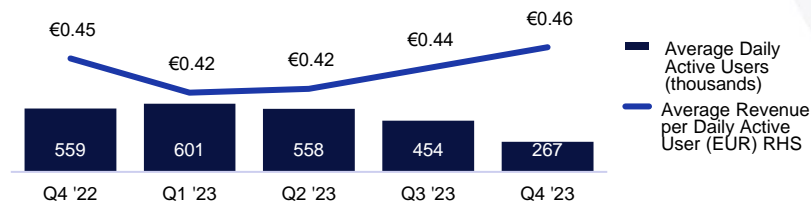
Financial performance –
including Social cards to 28 August 2023¹



Financial performance – Remaining Social casino & Metaverse



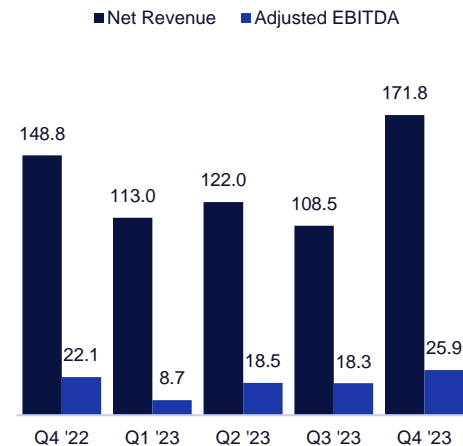
Operational performance



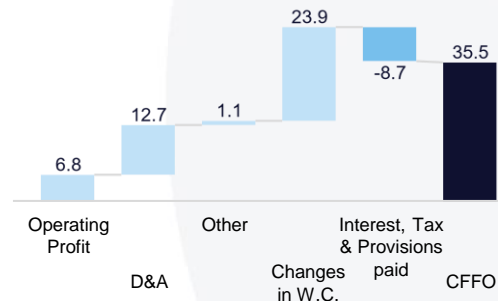
- **Net revenue of the remaining** social casino and metaverse portfolios increased in Q4 2023 to € 14.0 million, as compared to € 13.9 million in Q4 2022.
- **Net revenue of the remaining** social casino and metaverse portfolios was € 49.3 million FY 2023, as compared to € 52.0 million for FY 2022, a decrease of approximately (5.2)%, mainly driven by lower revenue in our metaverse environments.
- **Adjusted EBITDA of the remaining** social casino and metaverse portfolios **doubled** from € 1.8 million in Q4 2022 to € 3.6 million in Q4 2023.
- **Adjusted EBITDA of the remaining** social casino and metaverse portfolios **increased 61.7%** to € 9.0 million FY 2023 from € 5.6 million in FY 2022.
- **Average time in game per day increased** by 19% in Q4 2023 to 94 minutes per day as compared to Q4 2022
- **Average Daily Active Users decreased** by (52)% in Q4 2023 compared to Q4 2022, due to the loss of active players from the sale of the social card games portfolio.
- **ARPDau remained increased slightly** in Q4 2023 as compared to Q4 2022, due to improved spending in social casino and metaverse titles.

Strong Financial Framework

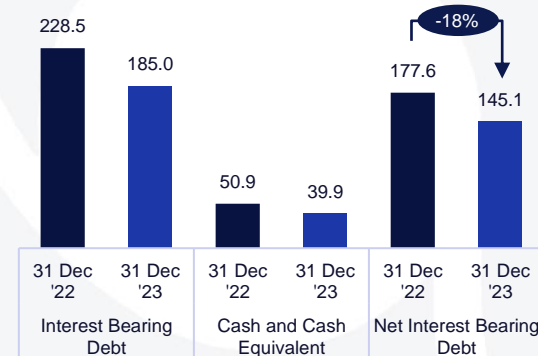
5-quarter rolling financial performance



Q4 2023 CFFO



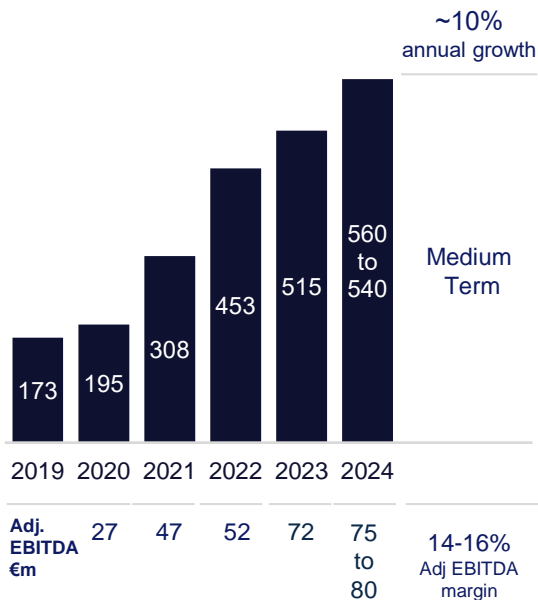
Q4 2023 Net interest bearing debt*



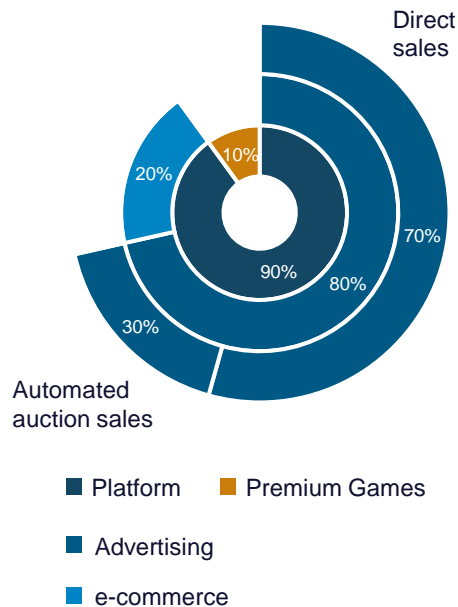
- Strong revenue performance in Q4 and FY 2023 with continued progress in ongoing integration and cost optimisation
- Improved Adjusted EBITDA with margin increasing to 15.1% Q4 2023 compared to 14.9% in Q4 2022, and to 13.9% FY 2023 compared to 11.5% FY 2022
- Increased cashflow from operating activities Q4 2023 of € 35.5 million, as compared to € 22.1 million Q4 2022.
- Increased cashflow from operating activities FY 2023 of € 54.4 million, as compared to € 44.9 million FY 2022.
- Net interest-bearing debt of € 145.1 million as at 31 December 2023 compared to € 177.6 million as at 31 December 2022, a decrease of approximately 18%.

Strong historical performance underpinning growth outlook for 2024 and beyond

Updated Guidance FY 2024 and Medium Term



Revenue split (FY 2023 Pro Forma Sale of Social Cards Portfolio)



All figures are approximate

Value drivers



Continued integration of past acquisitions driving synergies and efficiencies



Increase volume of direct sales



Increase volume of publisher monetization services



Continuously developing new features and innovating with our technology

Platform growth and improved efficiency driving performance in Q4 2023

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Strong financial performance





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Q&A